



CITY OF HOBART

MINUTES

Finance and Governance Committee Meeting

Open Portion

Tuesday, 16 June 2020 at 4:30 pm

ORDER OF BUSINESS

APOLOGIES AND LEAVE OF ABSENCE

1. CO-OPTION OF A COMMITTEE MEMBER IN THE EVENT OF A VACANCY	4
2. CONFIRMATION OF MINUTES.....	4
3. CONSIDERATION OF SUPPLEMENTARY ITEMS	4
4. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST	5
5. TRANSFER OF AGENDA ITEMS.....	5
6. REPORTS	6
6.1 COVID-19 Community Support Package - Rates Relief.....	6
6.2 Working With Vulnerable People Registration - Elected Members	9
6.3 Conference Reporting - Local Government Association of Tasmania Elected Member Professional Development Weekend 2020 - 29 February 2020 to 1 March 2020	9
6.4 Grants and Benefits Listing as at 31 December 2019	10
6.5 Outstanding Long Term Parking Permit Debts as at 29 February 2020.....	11
7. COMMITTEE ACTION STATUS REPORT	12
7.1 Committee Actions - Status Report.....	12
8. QUESTIONS WITHOUT NOTICE	12
9. CLOSED PORTION OF THE MEETING.....	14
SUPPLEMENTARY ITEM	15
10. BUDGET ESTIMATES 2020-21	15

Finance and Governance Committee Meeting (Open Portion) held on Tuesday, 16 June 2020 at 4:30 pm.

This meeting of the Finance and Governance Committee is held in accordance with a Notice issued by the Premier on 3 April 2020 under section 18 of the COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020.

COMMITTEE MEMBERS

Zucco (Chairman)
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

NON-MEMBERS

Lord Mayor Reynolds
Briscoe
Harvey
Behrakis
Dutta
Sherlock
Ewin

PRESENT: Alderman M Zucco (Chairman), the Deputy Lord Mayor Councillor H Burnet, Aldermen Dr P T Sexton, D C Thomas, Councillor W Coats, the Lord Mayor Councillor A M Reynolds, Alderman J R Briscoe, Councillor W F Harvey, Alderman S Behrakis, Councillors M Dutta and J Ewin.

APOLOGIES: Nil.

LEAVE OF ABSENCE: Nil.

Alderman Thomas joined the meeting at 4:31 pm and was not present for items 1 to 3.

The Lord Mayor was co-opted to the Committee for items 2 and 3.

Alderman Thomas left the meeting at 4:38 pm, returning at 4:39 pm.

Councillor Ewin joined the meeting at 4:55 pm.

The Lord Mayor left the meeting at 4:55 pm, returning at 5:05 pm.

Councillor Harvey retired from the meeting at 4:55 pm.

Alderman Thomas left the meeting at 5:05 pm, returning at 5:12 pm.

Councillor Dutta retired from the meeting at 5:08 pm.

The Lord Mayor retired from the meeting at 5:27 pm.

Alderman Thomas left the meeting at 5:32 pm, returning at 5:38 pm.

1. CO-OPTION OF A COMMITTEE MEMBER IN THE EVENT OF A VACANCY

DEPUTY LORD MAYOR BURNET

That the Lord Mayor be co-opted to the Committee.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Sexton
Coats

2. CONFIRMATION OF MINUTES

DEPUTY LORD MAYOR BURNET

The minutes of the Open Portion of the Finance and Governance Committee meeting held on [Tuesday, 18 February 2020](#), be confirmed as an accurate record.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Sexton
Coats
Lord Mayor Reynolds

The minutes were signed.

3. CONSIDERATION OF SUPPLEMENTARY ITEMS

Ref: Part 2, Regulation 8(6) of the *Local Government (Meeting Procedures) Regulations 2015*.

DEPUTY LORD MAYOR BURNET

That the Committee resolve to deal with any supplementary items not appearing on the agenda, as reported by the General Manager.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Sexton	
Coats	
Lord Mayor Reynolds	

4. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST

Ref: Part 2, Regulation 8(7) of the *Local Government (Meeting Procedures) Regulations 2015*.

Members of the Committee are requested to indicate where they may have any pecuniary or conflicts of interest in respect to any matter appearing on the agenda, or any supplementary item to the agenda, which the Committee has resolved to deal with.

No interest was indicated.

5. TRANSFER OF AGENDA ITEMS

Regulation 15 of the *Local Government (Meeting Procedures) Regulations 2015*.

A Committee may close a part of a meeting to the public where a matter to be discussed falls within 15(2) of the above regulations.

In the event that the committee transfer an item to the closed portion, the reasons for doing so should be stated.

Are there any items which should be transferred from this agenda to the closed portion of the agenda, or from the closed to the open portion of the agenda?

No items were transferred.

6. REPORTS

6.1 COVID-19 Community Support Package - Rates Relief File Ref: F20/58648

SEXTON

That the recommendation contained in the memorandum of the General Manager of 11 June 2020, be adopted, as amended by the insertion of additional sub-clause in respect to Clause 4 to read as follows:

(vi) *Acceptable evidence to support commercial ratepayer hardship include:*

- *(* An application in writing detailing the reasons why the ratepayer is unable to pay the rates and charges when they fall due and payable, including a statutory declaration that all the information provided is true and correct;*
- *(* Assessment by a suitably qualified financial advisor, when the rates remission applied for is above \$4,000, demonstrating an inability to both pay rates and to rearrange asset portfolios to facilitate payment;*
- *A statutory declaration from someone who is familiar with the applicant's circumstances (e.g. a family doctor for health-related evidence, a bank official, insurance policy manager, Government agency, etc.);*
- *(* Commercial lease agreements;*
- *Statement from company accountant;*
- *(* Details of business closure if applicable;*
- *Notice of impending legal action;*
- *Bank notice for example, overdraft call or mortgaged property repossession;*
- *(* Evidence of qualification for government assistance in response to the COVID-19 pandemic crisis if applicable;*
- *(* Evidence of support being provided to tenants if applicable;*
- *(* Audited or unaudited financial statements (for the current and previous financial year), including the most recent monthly profit and loss and balance sheet information with comparatives;*
- *Cash flow statements with comparatives.*

Item with () are mandatory.*

MOTION CARRIED

VOTING RECORD

AYES

Zucco
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

NOES

COMMITTEE RESOLUTION:

- That:
1. The information contained in the memorandum titled COVID-19 Community Support Package – Rates Relief be received and noted.
 2. The Council reaffirm its decision of 27 April 2020 to provide a rates relief support package including waiving penalties and interest, negotiated payment plans, formal postponements and remissions on application on a case by case basis in accordance with the City's Financial Hardship Assistance policy.
 3. The Financial Hardship Assistance policy be amended to articulate Council's specific intent to support the ratepayers of the City of Hobart through the COVID-19 pandemic and the policy be reviewed in six months time.
 4. The policy also specifically address the following:
 - (i) The specific impact of Covid-19 on commercial ratepayers acknowledging that the ratepayer for commercial properties is the entity that holds the property.
 - (ii) Applications by commercial ratepayer should reflect rental impacts from tenancies due to COVID-19 and the *COVID-19 Disease Emergency (Commercial Leases) Act 2020* or as a result of the impact of government policy on profitability, such as closing the borders, imposing restrictions or closures.
 - (iii) The applicant would be required to provide clear evidence that the entity who owns the property (the rate paying entity) has experienced financial hardship, and consistent with the *COVID-19 Disease Emergency (Commercial Leases) Act 2020* any support provided by Council for landlords as a result of financial hardship of a tenant be passed onto the tenant.
 - (iv) While generally residential investment properties are excluded from the policy, applications from ratepayers in financial hardship as a result of tenants not paying rent as a result of Covid-19 will be considered.

- (v) Rate postponements be considered as the first option in assisting ratepayers affected by Covid-19 where rent deferrals have been put in place with commercial tenancies and not rent discounts. Remissions to be applied for reductions in revenue and profitability that cannot be recaptured.
- (vi) Acceptable evidence to support commercial ratepayer hardship include:
- (*) An application in writing detailing the reasons why the ratepayer is unable to pay the rates and charges when they fall due and payable, including a statutory declaration that all the information provided is true and correct;
 - (*) Assessment by a suitably qualified financial advisor, when the rates remission applied for is above \$4,000, demonstrating an inability to both pay rates and to rearrange asset portfolios to facilitate payment;
 - A statutory declaration from someone who is familiar with the applicant's circumstances (e.g. a family doctor for health-related evidence, a bank official, insurance policy manager, Government agency, etc.);
 - (*) Commercial lease agreements;
 - Statement from company accountant;
 - (*) Details of business closure if applicable;
 - Notice of impending legal action;
 - Bank notice for example, overdraft call or mortgaged property repossession;
 - (*) Evidence of qualification for government assistance in response to the COVID-19 pandemic crisis if applicable;
 - (*) Evidence of support being provided to tenants if applicable;
 - (*) Audited or unaudited financial statements (for the current and previous financial year), including the most recent monthly profit and loss and balance sheet information with comparatives;
 - Cash flow statements with comparatives.
- Item with (*) are mandatory.

5. Should the Council support the above proposed policy amendments, a marked up version of the policy be provided prior to the Council meeting on 22 June 2020.

Delegation: Council

6.2 Working With Vulnerable People Registration - Elected Members
File Ref: F20/36798

THOMAS

That the recommendation contained in the memorandum of the General Manager of 30 April 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

COMMITTEE RESOLUTION:

- That:
1. Elected members be provided the opportunity to attain a Working with Vulnerable People (Children) registration.
 2. As a cost related to carrying out the duties of the role as an elected member, the costs associated with the registration will be met from the Elected Member Allowances and Expenses budget function.
 3. The Local Government Association of Tasmania be advised of the resolution, recommending it encourage other Council's to adopt the initiative.

Delegation: Council

**6.3 Conference Reporting - Local Government Association of
Tasmania Elected Member Professional Development Weekend
2020 - 29 February 2020 to 1 March 2020**
File Ref: F20/41479

DEPUTY LORD MAYOR BURNET

That the recommendation contained in the memorandum of the General Manager of 11 June 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Sexton	
Thomas	
Coats	

COMMITTEE RESOLUTION:

That the information be received and noted.

Delegation: Committee

6.4 Grants and Benefits Listing as at 31 December 2019
File Ref: F20/36800; 25-2-1

SEXTON

That the recommendation contained in the report of the Manager Finance and City Procurement and the Deputy General Manager of 30 April 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Sexton	
Thomas	
Coats	

COMMITTEE RESOLUTION:

That the Finance and Governance Committee receive and note the information contained in the report titled 'Grants and Benefits Listing as at 31 December 2019'.

Delegation: Committee

**6.5 Outstanding Long Term Parking Permit Debts as at
29 February 2020
File Ref: F20/36815**

SEXTON

That the recommendation contained in the memorandum of the Financial Operations Manager and the Deputy General Manager of 30 April 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

COMMITTEE RESOLUTION:

That the information contained in the memorandum of the Manager Finance and the Deputy General Manager of 3 March 2020 titled "Outstanding Long Term Parking Permit Debts as at 29 February 2020" be received and noted.

Delegation: Committee

THOMAS

That supplementary item 10 be now taken.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

Supplementary item 10 was then taken.

7. COMMITTEE ACTION STATUS REPORT

7.1 Committee Actions - Status Report **File Ref: F20/36819**

DEPUTY LORD MAYOR BURNET

That the information be received and noted.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

Delegation: Committee

8. QUESTIONS WITHOUT NOTICE

Section 29 of the *Local Government (Meeting Procedures) Regulations 2015*.
File Ref: 13-1-10

8.1 Alderman Behrakis - COVID-19 - Working From Home Analysis **File Ref: 13-1-10**

Question: During this time there has been the need for staff members to work from home. There have also been suggestions by some commentators that this should potentially be extended in the interest of promoting flexibility for our workforce.

Has there been any impacts, either positive or negative to the productivity of staff?

Is there any way to measure said productivity of workers that are working remotely?

If so, what have those metrics shown?

Answer: The General Manager took the question on notice.

8.2 Alderman Behrakis - Project Phoenix
File Ref: 13-1-10

Question: In regards to the Council's "Project Phoenix":

What was the expected or budgeted cost for the project?

What was the realised cost of implementing the project?

What was the expected implementation timeframe for the project?

What was the realised time to implement the project?

What KPI's were set for the project?

How did it perform against these KPI's?

Answer: The General Manager took the question on notice.

8.3 Alderman Sexton - COVID-19 Rates Remission Reporting
File Ref: 13-1-10

Question: Could the General Manager please advise if it is possible to provide Elected Members with a report in regards to the COVID-19 Rates Remissions granted on a monthly basis?

Answer: The General Manager advised that it was possible and the request, noted accordingly.

8.4 Councillor Coats - Halls Saddle Project
File Ref: 13-1-10

Question: Could the General Manager please advise why the Halls Saddle project is appearing on the Capital Works program considering the project is yet to be endorsed by the Council and is listed for consideration at its meeting of 22 June 2020?

Answer: The General Manager took the question on notice.

8.5 Councillor Ewin - Attendance at Council and Council Committee Meetings Post COVID-19 File Ref: 13-1-10

Question: Could the General Manager please advise if there is anything to preclude Council and Council Committee meetings from being attended online post COVID-19?

Answer: The General Manager took the question on notice.

9. CLOSED PORTION OF THE MEETING

DEPUTY LORD MAYOR BURNET

That the Committee resolve by majority that the meeting be closed to the public pursuant to regulation 15(1) of the *Local Government (Meeting Procedures) Regulations 2015* because the items included on the closed agenda contain the following matters:

- A matter relating to financial hardship;
- Proposals for the Council to acquire land or an interest in land or for the disposal of land; and
- Information of a personal and confidential nature or information provided to the Council on the condition it is kept confidential.

The following items were discussed: -

- | | |
|--------------|---|
| Item No. 1 | Minutes of the last meeting of the Closed Portion of the Committee Meeting |
| Item No. 2 | Consideration of supplementary items to the agenda |
| Item No. 3 | Indications of pecuniary and conflicts of interest |
| Item No. 4 | Reports |
| Item No. 4.1 | Financial Hardship - Rates Remission Request
LG(MP)R 15(2)(j) |
| Item No. 4.2 | Hobart City Council Loan Portfolio - KPMG Review
LG(MP)R 15(2)(b) and (g) |
| Item No. 4.3 | Giblin Street Ex-Asphalt Plant Site - Future Options for Residential Zoned Land
LG(MP)R 15(2)(f) |
| Item No. 4.4 | Outstanding Sundry Debts as at 29 February 2020
LG(MP)R 15(2)(g) |
| Item No. 5 | Committee Action Status Report |
| Item No. 5.1 | Committee Actions - Status Report
LG(MP)R 15(2)(b), (c)(i), (c)(ii), (d), (f), (g), (i) and (j) |
| Item No. 6 | Responses to Questions Without Notice |
| Item No. 6.1 | Visitor Centres
LG(MP)R 15(2)(b) |
| Item No. 7 | Questions Without Notice |

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

Delegation: Committee

SUPPLEMENTARY ITEM

10. Budget Estimates 2020-21
File Ref: F20/59222

DEPUTY LORD MAYOR BURNET

That the recommendation contained in the report of the Manager Finance and City Procurement and the Deputy General Manager of 12 June 2020, be adopted, as amended by the insertion of the following clause:

11. *The recommendation provided by the Risk and Audit Panel of 16 June 2020, marked as Attachment A to supplementary item 10 of the Open Finance and Governance Committee Meeting minutes of 16 June 2020, be received and noted.*

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

COMMITTEE RESOLUTION:

- That: 1. The expenses, revenues, capital expenditure, and plant and equipment expenditure detailed in the document 'City of Hobart Budget Estimates 2020-21' marked as Attachment A to supplementary item 10 of the Open Finance and Governance Committee agenda of 16 June 2020, be approved.
2. New borrowings of \$15M be approved at this time, noting that the City has a borrowing facility of up to \$31M.

3. The Council delegate to the General Manager the power to enter into loan agreements to source the above borrowings on the most favourable terms.
4. The City of Hobart Rates Resolution 2020-21 be adopted, which includes:
 - (i) The General Rate be 6.85 cents in the dollar of assessed annual value (AAV).
 - (ii) The following Service Rates be made:
 - (a) A Stormwater Removal Service Rate of 0.38 cents in the dollar of AAV; and
 - (b) A Fire Service Rate of 1.11 cents in the dollar of AAV.
 - (iii) A Waste Management Service Charge be made and varied according to the use or predominant use of land as follows:
 - (a) A Service charge of \$250 to apply to residential properties;
 - (b) A Service charge of \$500 to apply to non-residential properties.
 - (iv) A Waste Management Service Charge of \$60 be made for kerbside food organics garden organics waste collection for all rateable land within the municipal area to which Council supplies or makes available a food organics garden organics waste collection service utilising a food organics garden organics waste collection bin.
 - (v) A Landfill Rehabilitation Service Charge be made and varied according to the use or predominant use of land as follows:
 - (a) A Service charge of \$10 to apply to residential properties;
 - (b) A Service charge of \$20 to apply to non-residential properties.
 - (vi) The rates be subject to the following remissions:
 - (a) A remission of 0.81 cents in the dollar on the AAV of any land or building which is within the Fern Tree Volunteer Brigade Rating District as defined by the State Fire Commission.
 - (b) A remission of 0.83 cents in the dollar on the AAV of any land or building which is within areas other than Permanent Brigade Rating Districts or the Fern Tree Volunteer Brigade Rating District as defined by the State Fire Commission.

5. Unspent 2019-20 capital funding be carried-forward into 2020-21, with any necessary adjustments to be made in the September 2020 quarter financial report to Council.
6. The interest rate on unpaid rates be 6.81% per annum, charged monthly.
7. The 2020-21 Annual Plan marked as Attachment B to supplementary item 10 of the Open Finance and Governance Committee agenda of 16 June 2020, be adopted.
8. The Long Term Financial Management plan 2021-41 marked as Attachment C to supplementary item 10 of the Open Finance and Governance Committee agenda of 16 June 2020, be adopted.
9. The following delegations be approved:
 - (i) Pursuant to Section 22 of the *Local Government Act 1993*, the Council delegate to the General Manager the power to expend monies on Council's behalf identified as Delegation Classification 1 items in the Council's Annual Plan 2020-21; and, the Council authorise the General Manager to delegate, pursuant Section 64 of the *Local Government Act 1993*, to such employees of the Council as he considers appropriate, the power to expend monies on Council's behalf identified as Delegation Classification 1 items in the Council's Annual Plan.
 - (ii) Pursuant to Section 22 of the *Local Government Act 1993*, the Council delegate to all the Council Committees the power to expend monies on Council's behalf identified as Delegation Classification 2 items in the Council's Annual Plan 2020-21.
10. The Council note that a mid-year review of the 2020-21 Budget Estimates and Long Term Financial Management Plan 2021-41 will be undertaken.
11. The recommendation provided by the Risk and Audit Panel of 16 June 2020, marked as Attachment A to this item, be received and noted.

Attachment

- A. Risk and Audit Panel Meeting of 16 June 2020 - Budget Estimates 2020-21 - Recommendation

Delegation: Council

Item 9 was then taken.

There being no further business the Open Portion of the meeting closed at 5:28 pm.

TAKEN AS READ AND SIGNED AS
A CORRECT RECORD THIS
21ST DAY OF JULY 2020.

CHAIRMAN